

**Fiscal Year
2022**

**UNEMPLOYMENT
INSURANCE
INTEGRITY
STRATEGIC PLAN**

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Background

The U.S. Department of Labor's (Department or DOL), Employment and Training Administration (ETA) is focused on preventing and reducing improper payments, recovering overpayments, and combatting fraud in the Unemployment Compensation (UC) programs and has made Unemployment Insurance (UI) program integrity a top agency priority. ETA develops, updates, and oversees implementation of this robust and dynamic UI Integrity Strategic Plan, which continuously evolves and includes innovative strategies to address emerging fraud schemes, prevent and reduce UI improper payments, and recover benefits that were overpaid.

ETA's efforts to improve integrity in the UC programs in Fiscal Year (FY) 2022, included providing guidance, technical assistance, and funding to states to support them in combatting fraud and reducing improper payments based on the top root causes of UI improper payments. ETA provides guidance and resources to states in the form of Unemployment Insurance Program Letters (UIPLs) and Training and Employment Notices (TENs) that alert states regarding new UI program requirements, important program trainings, UI integrity resources, and operational recommendations. ETA has included a focus on fraud prevention and program integrity in the majority of its recent guidance documents. ETA also invested in developing new and enhancing existing tools, datasets, and resources and made these available to aid states in more quickly identifying potential improper payments and fraud. ETA continues to develop and oversee implementation of fraud mitigation strategies to address emerging and evolving fraud risks.

In FY 2022, state UI workloads (notably adjudication and appeals backlogs) remained elevated due to the economic impacts of the COVID-19 pandemic. States continue to focus their attention and available resources on reducing backlogs accumulated from high claims volume and combatting the substantial increases in UI fraud. While all temporary pandemic-related UC programs, authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020, the Consolidated Appropriations Act, 2021, and the American Rescue Plan Act of 2021 (ARPA), expired on September 6, 2021, and some states terminated participation in these programs prior to September 6th, states continue to face significant challenges with UC program administration and performance due to large backlogs, ongoing fraud, staff turnover, and outdated information technology (IT) systems.

Section 9032, ARPA, created Section 2118 of the CARES Act and provided for a \$2,000,000,000 appropriation to the Secretary of Labor to detect and prevent fraud, to promote equitable access, and to ensure timely payment of benefits to eligible workers with respect to UC programs. Such funds may be used for federal administrative costs; system-wide infrastructure investment and development; and to make grants to states or territories administering UC programs for such purposes.

While ETA is aggressively addressing fraud in the UC programs, program integrity efforts should balance the need to identify and prevent fraudulent activity while ensuring eligible individuals with legitimate claims have equitable access to receive the benefits they are entitled to when they are due. ETA is committed to supporting states in ensuring equity is a key focus in all fraud prevention efforts and a major factor in all discussions to address this issue comprehensively and compassionately. Efforts to prioritize equity includes ensuring there are

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alternatives to digital mechanisms of identity (ID) proofing; that the mechanisms used to prove ID or indicate potential fraud do not contain racial, ethnic, gender, or other bias; and that data is available to understand the impact of fraud mitigation on efforts to eliminate barriers that prevent full and equal access to UC benefits for all eligible individuals. At the most fundamental level, program integrity within the UI program involves both ensuring that entitled workers are neither underpaid nor overpaid and preventing payments to those who are not entitled to benefits.

Improper Payment Rate (overpayment rate + underpayment rate)

The Payment Integrity Information Act (PIIA) of 2019, requires Federal programs to report an annual improper payment rate. It also requires agencies to include all identified improper payments in the reported estimate, regardless of whether the improper payment in question has been recovered or is being recovered. DOL bases the UI improper payment estimates on results of the Benefit Accuracy Measurement (BAM) survey, which examines a nationwide statistically valid sample of payments made in the three largest permanently authorized UC programs: State UI, Unemployment Compensation for Federal Employees (UCFE), and Unemployment Compensation for Ex-service members (UCX). The BAM sample does not include payments made under episodic programs such as Extended Benefits (EB) and temporary programs like the Emergency Unemployment Compensation (EUC) program and the UI-related programs created by the CARES Act of 2020, including Pandemic Unemployment Assistance (PUA), Pandemic Emergency Unemployment Compensation (PEUC), and Federal Pandemic Unemployment Compensation (FPUC). Although the PEUC and FPUC programs are not part of the BAM sample, based on the underlying similarity in their eligibility requirements to the regular UI program, DOL is applying the regular UI improper payment rate to the PEUC and FPUC program outlays to estimate the total dollar amounts improperly paid for each program.

Improper Payment Root Causes

The UI Integrity Strategic Plan strategies target fraud prevention and reducing the largest root causes of UI improper payments, which have historically been: Benefit Year Earnings (BYE), Work Search, and Separation Issue improper payments. Throughout the COVID-19 pandemic, the top root causes shifted as states were statutorily provided operational flexibilities with administering the UI program, specifically regarding work search requirements. Due to most states temporarily waiving or suspending the requirement to actively search for work, work search was not one of the top three root causes of improper payments for PIIA 2021 and PIIA 2022. However, as states reinstate work search requirements across their state UI programs, ETA is anticipating an increase in work search issues and remains focused on reducing improper payments in this root cause category.

The top three root causes of UI improper payments for PIIA 2022 (July 1, 2021 through June 30, 2022), were: BYE, Separation Issues, and Other Eligibility improper payments. ETA continues to see an increase in states' use of the Identity Theft cause code, which is one of several components of the Other Eligibility cause category.

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- **Separation Issues**

Separation Issue improper payments occur when UI claimants receive benefits and are later determined to be ineligible due to a disqualifying separation from previous employment (such as quitting without cause). The requirement to pay UI benefits “when due” contributes to the creation of Separation Issue improper payments at the point of application because states must request information from employers on the reason for the claimant’s separation from employment. If states are unable to get timely and accurate information from employers, states are legally required to make a determination based on the best available information and make payments if the UI claimant is otherwise found eligible for benefits. Failure of employers or their third-party administrators (TPAs) to provide timely and adequate information on the reason for an individual’s separation from employment presents a major challenge to addressing Separation Issue improper payments.

- **Benefit Year Earnings**

BYE improper payments occur when UI claimants fail to report earnings, or they incorrectly report earnings from employment for a claimed week of unemployment. BYE improper payments can be caused by a UI claimant intentionally failing to report earnings or underreporting their earnings to receive benefits. BYE improper payments could also be caused when a UI claimant unintentionally misreports their earnings from part-time work or after returning to full-time work. BYE improper payments could result from a UI claimant’s misunderstanding regarding how to report their earnings. For example, a UI claimant may report only their net wages instead of their gross wages, as required. Another common cause of BYE improper payments occurs when a UI claimant waits to report their earnings from employment until they are paid by the employer instead of reporting their earnings when they were earned. BYE issues could result in a fraud or a nonfraud determination, depending on state law. To address this root cause, it is critical for states to identify, as quickly as possible, when a UI claimant has returned to work. It is also critical states ensure UI claimants understand their responsibility to accurately report earnings.

- **Other Eligibility**

The Other Eligibility root cause category contains the following error types:

- Refusal of Suitable Work
- Self-employment
- Illegal Alien Status
- Other Causes Related to Eligibility Issues
- Identity Theft

Other Eligibility improper payments occur when an individual was paid unemployment benefits, and following a BAM investigation, it is determined the individual was not eligible for benefits due to one of the reasons identified above. For example, the BAM investigation may uncover that an individual refused an offer of suitable work or was self-employed while claiming unemployment benefits, both of which could be potentially disqualifying issues. Illegal Alien Status issues may arise if an individual was not legally

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authorized to work in the United States. Identity Theft issues arise when the BAM investigation finds the UI claim was filed using the ID of another person.

- **Work Search**

Work Search improper payments occur when UI claimants fail to document their work search efforts or fail to comply with state work search requirements. All states require most UI claimants to make an active search for work as a condition of UI eligibility; however, work search requirements vary greatly in each state. States with stringent work search requirements typically record higher overpayment rates than states with broader work search requirements. Providing clear instructions to UI claimants regarding a state's acceptable work search activities and work search documentation requirements is critical in reducing Work Search improper payments.

UI Integrity Center

Established by the Department and operated by the National Association of State Workforce Agencies (NASWA) Center for Employment Security Education and Research (CESER), the UI Integrity Center is designed to assist states in their efforts to prevent, detect, and recover improper and fraudulent payments and improve program integrity by developing and promoting innovative program strategies more effectively. The UI Integrity Center supports the needs of states in adopting and implementing strategies to ensure program integrity, to bring down the UI improper payment rate, and address fraud in UC programs. The primary activities and deliverables of the UI Integrity Center include:

- Continuous routine state engagement to collect and disseminate state integrity best practices, including maintaining a central online Knowledge Exchange repository to house promising state practices, tools, and products developed by the UI Integrity Center;
- Providing consultative and technical assistance services through a cadre of UI Subject Matter and Technical experts to states, including business process analysis, coaching, and/or funding to support adoption of strategies and process improvements that reduce the improper payment rate and promote prevention, detection, and recovery of UI improper and fraudulent payments;
- Developing and disseminating tools and products to support state integrity efforts;
- Maintaining and enhancing the UI National Integrity Academy (Academy) through continued curriculum development, eLearning online, and other training resources for states' use; and
- Creating, enhancing, operating, and maintaining the UI Integrity Data Hub (IDH) to expand state cross-matching, fraud alerting, and data analysis efforts to support states' determinations of claimant eligibility and to identify potential fraud and improper payments.

Integrity Strategies

Section 1.0 – Fraud Prevention and Detection, Improper Payment Reduction, UI Fraud Risk Mitigation, and Overpayment Recovery Strategies

States operate and administer the UC programs in accordance with state laws and policies, and are the entities that directly control UI integrity, including fraud prevention and detection, improper payment reduction, UI fraud risk mitigation, and the recovery of overpayments. Through effective fraud prevention and detection and proactive fraud risk mitigation strategies, states can successfully deter UI fraud and reduce improper payments. DOL is supporting states through the following strategies to combat fraud and reduce improper payments, which includes strengthening UI systems, cybersecurity, ID verification, and data analytics to better address fraud and improper payment risks.

Strategy 1.1: Tiger Teams.

DOL deployed multidisciplinary technical assistance teams (known as “Tiger Teams”) to states to conduct consultative assessments to address state-specific, unique challenges and/or collect best practices with preventing and detecting fraud, promoting equitable access, reducing backlogs, and ensuring timely payment of benefits. The “Tiger Teams” work with states to identify immediate needs and issues focused on near-term improvements in customer experiences and improved operational processes, while also making recommendations and proposing solutions to address fraud and support more equitable access for legitimate claimants.

FY 2022 Results: ETA reports the following actions related to this strategy:

- Engaged 24 states for the “Tiger Team” initiative in Year 1 (July 2021 - June 2022) of the project.
- Finalized and delivered recommendations to states based on “Tiger Team” assessments.
- Issued UIPL No. [02-22](#), on November 2, 2021, to notify states of the availability of up to \$200 million in funding to support states in improving UC systems and processes following a “Tiger Team” consultative assessment.
- Processed states’ grant applications for eight states to fund “Tiger Team” recommendations.
- Held weekly state “Tiger Team” progress meetings and conducted quarterly check-in meetings with all states that have engaged with a “Tiger Team” to track and ensure progress on implementing recommendations as well as performance improvements.
- Selected additional states for “Tiger Team” consultative assessments.
- Built out ETA’s ARPA support team to provide ongoing operational support to states and expanded stakeholder engagement and support.
- Identified, developed, and shared best practices and toolkits for reducing backlogs, increasing equity, and for improving timeliness of UI benefit payments through the UI Community of Practice and webinars. Trends from “Tiger Team” recommendations are found at:
https://oui.doleta.gov/unemploy/pdf/TigerTeamCohortTrendsJune_2022.pdf.

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Strategy 1.2: Digital authentication and ID verification processes, procedures, and services.

The Department continues to strongly encourage states to adopt an array of solutions and techniques to detect and fight fraud and to have robust strategies in place to verify the ID of individuals applying for UI benefits. ETA is exploring options to provide states with additional support in the area of digital authentication and ID verification.

FY 2022 Results: ETA reports the following actions related to this strategy:

- ETA “Tiger Teams” have made recommendations to 11 states to improve ID verification and to nine states to improve digital authentication.
- The Department engaged with the General Services Administration (GSA) to explore the ID verification services available through GSA’s login.gov. On March 31, 2022, an initial pilot began with a state UI agency to evaluate login.gov as a potential ID proofing solution for state UC programs.
- Reviewed states’ use of fraud prevention and detection tools, including ID verification services, and conducted market research on available solutions, to identify opportunities to establish baseline fraud prevention and detection requirements and provide enhanced technical assistance and support to strengthen state UI program integrity and fraud management operations.

Strategy 1.3: Prisoner Update Processing System (PUPS) data exchange.

The DOL Office of Inspector General (DOL-OIG) issued two alert memorandums¹, identifying potentially fraudulent benefits paid in four areas; one of those areas being benefits paid to federal and state prisoners. To be eligible for UI benefits an individual must be able, available, and actively seeking work. Incarcerated individuals do not typically meet the eligibility requirements to receive UI benefit payments. ETA worked in partnership with the Social Security Administration (SSA) to establish a secure data exchange between the Interstate Connections Network (ICON) and SSA’s PUPS to provide states with the ability to cross-match UI claims data with incarceration records to assist states in making accurate UI eligibility determinations.

FY 2022 Results: ETA reports the following actions related to this strategy:

- Issued UIPL No. [01-22](#), on October 29, 2021, announcing the availability of an incarceration data exchange with SSA’s PUPS system through ICON and providing instructions to states on the steps required to access the data exchange.
- Worked with NASWA and SSA to finalize required data sharing agreements.
- Completed a “quick-reference” guide on the PUPS/ICON connection to aid states in preparation for their SSA kickoff calls and distributed the guide to states through NASWA and ETA Regional Offices. Also, provided the guide to SSA’s Regional Data Exchange Coordinators.

¹ Alert Memorandum: The Employment and Training Administration (ETA) Needs to Ensure State Workforce Agencies (SWA) Implement Effective Unemployment Insurance Program Fraud Controls for High Risk Areas, [Report No. 19-21-002-03-315](#) (February 22, 2021) and Alert Memorandum: Potentially Fraudulent Unemployment Insurance Payments in High-Risk Areas Increased to \$45.6 Billion, [Report No. 19-22-005-03-315](#) (September 21, 2022).

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- Continued to coordinate and streamline communications between states, SSA, and NASWA's ICON team to facilitate and expedite states' connection to the PUPS incarceration data exchange.
- Formalized PUPS recommendations through "Tiger Team" engagements for states not currently in receipt of federal incarceration information.

Strategy 1.4: State Integrity Action Plan (IAP) updates.

The State Quality Service Plan (SQSP) is the principal vehicle used by state UI programs to plan, record, and manage improvement efforts as they strive for excellence in service. It represents an approach to the UI performance management and planning process that allows for an exchange of information between Federal and state partners to enhance the UI program's ability to reflect their joint commitment to performance excellence and client-centered services. As part of the SQSP process, each state must address UI program performance deficiencies by submitting corrective action plans (CAPs) for UI performance measures falling below the Acceptable Level of Performance (ALP). In addition, states must complete an Integrity Action Plan (IAP), outlining the state's UI program integrity strategies to prevent and detecting fraud, reduce improper payments, and improve overpayment recoveries. The IAP also requires states to discuss their actions and planned activities to reduce the top root causes of improper payments and address additional UI integrity and fraud risk topics, including fraud and integrity-related National Priorities identified in the annual SQSP Additional Planning Guidance. ETA began requiring states to provide a six-month update to their IAP beginning with the FY 2022 SQSP cycle.

FY 2022 Results: ETA reports the following actions related to this strategy:

- ETA Regional Offices reviewed states' FY 2022 SQSPs, IAPs, and corresponding quarterly updates.
- ETA's Office of Unemployment Insurance (OUI) delivered SQSP and IAP training to ETA Regional Offices and states. Regional Offices also worked with states to provide additional training and technical assistance support in developing the SQSP and IAP.
- ETA developed and finalized a new IAP template for states' use for the FY 2023 SQSP submission. The new template requires states to submit a more comprehensive and detailed IAP that addresses specific integrity topics, including fraud prevention and detection, improper payment root cause reduction, internal security, UI tax program integrity, collaboration with the DOL-OIG, use of UI Integrity Center resources, and overpayment recovery strategies.
- ETA issued [UIPL No. 17-22](#), on July 22, 2022, to provide states the Additional Planning Guidance for the FY 2023 UI SQSP. For FY 2023's SQSP requirements, ETA again included combatting UI fraud, in addition to reducing UI improper payment rates, as a National Priority for state UI agencies.

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Strategy 1.5: Ongoing partnership with the DOL-OIG Office of Investigations.

ETA and the DOL-OIG Office of Investigations meet regularly to discuss emerging UI fraud issues, streamline communication with states, and coordinate fraud prevention and recovery efforts. ETA will continue to maintain a strong partnership with the DOL-OIG to collaborate on UI fraud matters.

FY 2022 Results: ETA reports the following actions related to this strategy:

- ETA and DOL-OIG held bi-weekly meetings to collaborate on UI fraud matters.
- ETA Regional Offices hosted joint, quarterly regional ETA/DOL-OIG calls with states to improve communication and collaboration at the Regional Office level between states and the DOL-OIG. The calls allowed the DOL-OIG and states to share fraud trends and analysis, discuss recommendations and effective strategies for responding to emerging fraud schemes, offer updates on prosecution efforts, and facilitate sharing of UI fraud and integrity-related challenges and best practices among states.
- ETA engaged with the DOL-OIG and other federal agencies on a workgroup to identify strategies to mitigate text message phishing schemes. As part of this effort, ETA's Regional Offices obtained information for the workgroup about the scope of the fraudulent text messaging issue by asking states to provide examples/screenshots of known text messaging schemes. ETA's Regional Offices also gathered information from states on their current text messaging practices to inform public outreach regarding fraudulent text messaging.
- Shared DOL-OIG news article clips each month with ETA Regional Offices to ensure Regional Offices and states remained aware of the ongoing UI fraud arrests, actions, and prosecution efforts of federal, state, and local law enforcement. ETA also shared Money Mule Awareness Campaign resources and the DOL-OIG Investigations Newsletter with ETA Regional Offices and states.
- ETA and the UI Integrity Center are actively engaged in a substantial data extract project to share IDH data with the DOL-OIG and completed several actions to advance this effort.
 - The UI Integrity Center shared an IDH test file with DOL-OIG in December 2021.
 - The UI Integrity Center provided an estimated timeline and budget to ETA for the DOL-OIG IDH Data Extract project on April 15, 2022.
 - A new IDH Participation Agreement was developed, to include a provision for sharing state IDH information with the DOL-OIG.
 - ETA announced Version 5.0 of the IDH Participation Agreement in TEN No. [24-21](#) on May 5, 2022.
 - The UI Integrity Center continues to work with states to move states to Version 5.0 of the IDH Participation Agreement.
- On August 25, 2022, ETA and the DOL-OIG presented to over 1,200 UI adjudicators during the closing plenary of the adjunction training conference. ETA presented on national UI integrity efforts and the DOL-OIG presented on their case work in the UI fraud space. The presentations outlined the need for ETA, state UI agencies, and the DOL-OIG to continue working together

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to prevent, detect, and recover UI fraud through enhanced collaboration and data sharing.

Strategy 1.6: Publication of state UI improper payment data on DOL's website and maintaining accurate state fraud reporting contacts and content.

ETA publishes each state's PIIA three-year improper payment rate on the "[UI Payment Accuracy by State](#)" webpage annually. This webpage provides a color-coded U.S. map depicting UI improper payment performance for all states. ETA also publishes quarterly state improper payment rates on the "UI Payment Accuracy by State" [data sub-page](#). In addition, OUI maintains the www.dol.gov/fraud website, which provides victims of unemployment ID fraud with resources and instructions regarding how to report the fraud.

FY 2022 Results: ETA reports the following actions related to this strategy:

- Developed webpages for each individual state and prepared the data for the "[UI Payment Accuracy by State](#)" annual and quarterly updates.
- Posted quarterly improper payment rate data to the "UI Payment Accuracy by State" [data sub-page](#).
- Monitored the ETAfeedback@dol.gov email box to ensure state ID fraud reporting links remained valid and accurate and ensured any allegations of fraud, received through the email box, were referred to the DOL-OIG for follow-up.
- Finalized revised content for www.dol.gov/fraud and www.dol.gov/fraud/es so the language on the webpage aligns with current fraud definitions and emerging fraud schemes. This included coordinating with external stakeholders, who originally contributed to content on www.dol.gov/fraud, to request review and feedback of proposed new content and incorporating feedback into the final website content. The website will be updated in the 1st quarter of FY 2023.

Strategy 1.7: Providing Legislative Technical Assistance on UI Integrity provisions.

In its FY 2021 budget submission, the Department proposed a package of statutory changes to provide much-needed tools and resources that would:

- Require states to use SIDES to exchange information with employers about a claimant's separation from employment.
- Require states to use the National Directory of New Hires (NDNH) to better identify individuals continuing to claim UC and failing to report earnings after returning to work, one of the leading root causes of UI improper payments.
- Allow the Secretary of Labor to require states to implement corrective action measures for poor state performance in the UI program, helping to reduce improper payments in states with the highest improper payment rates.
- Require states to cross-match with the SSA's PUPS system or other repositories of prisoner information.
- Allow states to retain five percent of recovered UI overpayments for program integrity use.
- Require states to use penalty and interest collections solely for UI administration.

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- Require states to use the IDH developed by the UI Integrity Center (see [Strategy 2.1](#) for additional information). This proposed requirement was added to the Department's FY 2020 budget.

FY 2022 Results: ETA reports the following actions related to this strategy:

- DOL provided extensive legislative technical assistance on an additional legislative proposal that addressed UI Integrity.
- In FY 2023, ETA will continue to provide technical assistance on proposed UI Integrity legislation as needed.

Strategy 1.8: Grants to states.

States lacked the necessary resources to manage the increased volume of claims and associated backlogs caused by the pandemic quickly, accurately and equitably, resulting in far too many workers, underrepresented populations, those with limited English proficiency, or low-income claimants facing barriers in accessing UC benefits. In addition, states have faced a significant increase in organized and sophisticated fraud targeting UC programs. To address these challenges and in support of the ARPA goals, DOL provided grants to states to improve their UI systems, with a focus on fighting fraud, promoting equitable access, and ensuring timely payment of UC benefits to those who are eligible.

FY 2022 Results: ETA reports the following actions related to this strategy:

“Tiger Team” Grant Funding

- Issued UIPL No. [02-22](#), on November 2, 2021, to notify states of the availability of up to \$200 million in funding to support states in improving UC systems and processes following a “Tiger Team” consultative assessment.
- Awarded approximately \$12 million in “Tiger Team” grant funding to eight states under UIPL No. [02-22](#).

Equity Grant Funding

- Reviewed grant applications and provided technical assistance to states' applying for equity grant funds available under UIPL No. [23-21](#).
- Awarded more than \$150 million in equity grants to 29 states under UIPL No. [23-21](#).

Navigator Grant Funding

- Issued UIPL No. [11-22](#), on January 31, 2022, to notify states of the availability of grant funding for selected states to participate in the ARPA UI Navigator Program. These funds will help workers learn about, apply for, and, if eligible, receive UI benefits and related services (*i.e.*, navigate the UI program) and to support state agencies in delivering timely benefits to workers—especially individuals in groups that are historically underserved, marginalized, and adversely affected by persistent poverty and inequality.
- Awarded more than \$18 million in UI Navigator Pilot grants to seven states under UIPL No. [11-22](#).

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Fraud Grant Funding

- Developed an information collection form and compiled details received from states' ETA 9178-ARPA reports regarding the use of fraud grant funds available under UIPL No. [22-21](#).
- Provided technical assistance (as needed) and reviewed quarterly updates on states' progress and use of fraud prevention grants.
- Issued UIPL No. [28-20, Change 4](#), on July 22, 2022, to provide states with information on existing sources of administrative funding to resolve outstanding items from the expired CARES Act UC programs and to announce up to \$225 million for administrative costs related to reporting and overpayment detection and recovery activities under certain CARES Act UC programs.
- Awarded \$99.9 million in fraud grant funding under UIPL No. [28-20](#).
- Awarded \$99.8 million in fraud grant funding under UIPL No. [28-20, Change 1](#).
- Awarded \$93.95 million in fraud grant funding under UIPL No. [28-20, Change 2](#).
- Awarded \$133.86 million in fraud grant funding under UIPL No. [22-21](#).

Strategy 1.9: Reducing work search improper payments.

Historically, work search improper payments have been among the top root causes of improper payments prior to the COVID-19 pandemic. However, work search improper payments declined when states were provided statutory authority to suspend work search requirements during the pandemic. As states have reinstated work search requirements, ETA is seeing an increase in work search issues and remains focused on reducing improper payments in this category.

In 2016, the UI program published a [Pathway to Reemployment Framework](#) on WorkforceGPS that contained a set of re-envisioned work search requirements that reflect the way individuals search for work and get jobs in the 21st Century labor market, and requirements that are acceptable to meet state eligibility requirements for UI.

Shortly before the pandemic, in February 2020, ETA issued TEN No. [17-19](#), to inform states of the model state work search legislation and encourage its adoption. The model state work search legislation and framework promoted state implementation of a broader array of work search activities that supports rapid reemployment and claimant compliance with work search requirements, including documentation. The broader work search activities reflect how people find jobs in the modern labor market. ETA will continue to promote the model state work search legislation, review state work search policies, and provide guidance and technical assistance to states regarding work search.

FY 2022 Results: ETA reports the following actions related to this strategy:

- Incorporated the need for “states to facilitate claimants’ compliance with state work search requirements while also supporting their reemployment such as adoption of the work search requirements in the model state work search legislation” into UIPL No. [17-22](#), as a National Priority for the FY 2023 SQSP and a requirement to be addressed in the IAP.
- Compiled information on states’ reimplementation of work search requirements.

Strategy 1.10: Facilitating the recovery/return of overpaid or fraudulently obtained UI benefits through collaboration and coordination with states, banks, financial institutions, and law enforcement agencies.

With the tremendous increase in unemployment claims during the COVID-19 pandemic, the volume of UI deposits to banks and financial institutions initiated by states was in the hundreds of billions of dollars and a significant amount of this funding went to direct deposit accounts. As fraud attacks on state UI programs increased, banks and financial institutions ramped up their own fraud prevention data analytics to identify suspicious activity associated with UI payments. As a result, many banks are working to return UI funds to states, but each individual state banking contract and state-specific laws add complexity to the return of funds. Law enforcement agencies also increased efforts to recover UI funds through forfeiture and seizure proceedings. ETA realized the need for a coordinated, national approach to help state UI programs navigate the complexities of the Automated Clearing House (ACH) network, banking regulations, law enforcement initiatives, and the many other challenges associated with recovering/returning UC funds. ETA continues to work with states, banks, and federal law enforcement partners to facilitate overpayment recovery conversations and aid in recovery efforts.

FY 2022 Results: ETA reports the following actions related to this strategy:

- Participated on banking workgroup calls to discuss ongoing recovery efforts and streamline communication between banking organizations, federal government agencies, and law enforcement agencies.
- Connected states with banks and federal law enforcement to facilitate conversations and aid in the recovery of fraudulently obtained and overpaid UI funds.
- Worked with individual states to provide targeted technical assistance to address complicated recovery challenges specific to each state's unique recovery statutes, banking contracts, and collection procedures.
- Required states to include recovery strategies, such as working directly with financial institutions and/or law enforcement agencies to recover UC funds held by banks and financial institutions, in their IAPs as part of the annual FY 2023 SQSP process.
- Hosted a webinar for Regional Offices and states regarding overpayment reporting on the ETA 227 – “Overpayment Detection and Recovery Activities” and the ETA 902P – “Pandemic Unemployment Assistance Activities” reports.

Strategy 1.11: Implementation/expansion of the State Information Data Exchange System (SIDES).

SIDES was developed through the collaborative efforts of state UI agencies, NASWA, ETA, and employers to enable the electronic communication of separation and other UI information between employers and state UI agencies. The system improves the timeliness and quality of separation information from employers, thus reducing the number of improper payments to claimants who are determined to be ineligible for UI due to disqualifying job separations, such as quitting without good cause or discharged for misconduct. NASWA operates SIDES on behalf of the participating states.

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FY 2022 Results: The NASWA SIDES team and ETA report the following actions related to this strategy:

- Hosted bi-weekly SIDES Modernization Webinars beginning in July 2021 and continuing through March 2022, to provide updates on project status.
 - Released a substantial re-write of the SIDES Separation Information (SI) exchange to provide greater detail in the initial response to the request for separation information, which will allow states to make decisions regarding the separation reason more quickly and based on better information.
 - Hosted the webinar series, “Building the Foundation for Employer Success”, which provided promising practices, demonstrations of the new E-Response websites, and highlighted single sign-on.
 - Released a new SIDES E-Response website for small employers across the U.S. to respond to state requests for UI information.
 - Created six tutorial videos demonstrating the new SIDES E-Response website.
 - Developed a series of videos that provide information to employers and TPAs regarding the advantages of using the various SIDES exchanges to improve UI program integrity.
 - ETA issued TEN No. [22-21](#), on March 3, 2022, to announce the 2022 UI SIDES Seminar and the annual SIDES Seminar was hosted from April 26-29, 2022. The UI SIDES Seminar highlighted promising state practices focused on improving UI program integrity and SIDES exchange implementation. Workshop topics included exploring the UI improper payment rate and root causes; implementation of SIDES exchanges; incorporating SIDES into UI information technology modernization projects; and roundtable discussions.
 - Began work on the SIDES Monetary and Potential Charges exchange re-write.
 - Released the SIDES Public/Member website on September 19, 2022.
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Section 2.0 – UI Integrity Center.

The UI Integrity Center serves as a state-driven source of innovative program integrity strategies to prevent and detect improper payments, reduce fraud, and bring the UI program into compliance with the requirements of PIIA. A state-driven approach is fundamental since state agencies operate the federal-state UI program and make the benefit payments.

Strategy 2.1: Create, enhance, operate, and maintain the Integrity Data Hub (IDH) to support and expand state cross-matching, alerting, and data analysis efforts to assist states' determination of claimant eligibility and to identify potential fraud and improper payments.

The UI Integrity Center developed the IDH to allow states to submit UI claims for cross-matching and analysis to support the detection and prevention of UI fraud and improper payments. The IDH offers the following cross-matches/datasets:

- Suspicious Actor Repository (SAR) – allows states to match UI claims against other states' known suspicious claims data. This tool allows each state to benefit from the investigative work of all states as claims data associated with known or probable UI fraud is submitted and stored in the SAR for cross-matching purposes.
- Suspicious E-Mail Domains and Patterns – allows participating states to cross-match their claims against a database of suspicious e-mail domains and detects suspicious email patterns, that have been associated with fraudulent activity, and flags claims with these domains and/or patterns for further investigation by the submitting state.
- Foreign IP Addresses – allows participating states to receive flags on UI claims filed from Internet Protocol (IP) addresses outside of the U.S.
- Data Analysis – provides the unique ability to analyze national claims data and conduct cross-state analysis within a secure system.
- Multi-State Cross-Match (MCSM) – provides the ability to identify UI claims data used across multiple states and allows a lookback capability to identify after-the-fact matches based on new claims or fraud activity data submitted to the IDH.
- Fraud Alerting – provides a secure messaging platform for states, ETA, and DOL-OIG to share information through the IDH on emergent fraud schemes.
- Identity Verification (IDV) – provides states with a centralized, front-end ID verification tool by returning ID scoring information, including flagging of false and synthetic identities; this solution includes a cross-match to the SSA's Death Master File.
- Bank Account Verification (BAV) – provides states with access to near real-time information to proactively identify and authenticate bank account information provided by the UI claimant by validating the account's status and ensuring the individual identified as the claimant is the account owner and/or authorized user prior to initiating the UI benefit payment.

FY 2022 Results: The UI Integrity Center and ETA report the following actions related to this strategy:

- Actively worked with states to implement the datasets available through the IDH for the prevention and detection of improper payments and fraud in the UI program.

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- Continued supporting states' connection to the IDH and increased the number of states using the available datasets. As of September 30, 2022:
 - All 53 states executed an IDH participation agreement.
 - 50 states use the SAR cross-match.
 - 48 states use MSCM.
 - 41 states use the IDV solution.
 - 31 states use the BAV service.
 - All states, ETA, and the DOL-OIG have access to Fraud Alerting in the IDH.
- Implemented a BAV service in the IDH on February 15, 2022.
- Assisted states with reviewing, processing, and analyzing IDH results:
 - Released the IDH Results Sorting, Filtering, and Outcomes tool into IDH production on May 5, 2022, which allows states to analyze and manage IDH results quickly and easily. It also allows states to provide outcomes data to the IDH team which helps the IDH team better understand how states are utilizing the IDH.
 - Released an enhancement to the IDH Prioritization tool, which provides priority rule violation detail in addition to the priority level designation, allowing states to quickly determine why a claim warrants further investigations.
- Conducted bi-weekly UI fraud/IDH update calls and provided direct technical assistance and peer-to-peer engagements.
- Conducted onsite IDH implementation support services.
- Continued to work with ETA to review the IDH Participation Agreement to include IDH data sharing with the DOL-OIG and develop the IDH file which will be shared with DOL-OIG once completed.
- ETA issued TEN No. [24-21](#), on May 5, 2022, to announce the new IDH Participation Agreement (Version 5.0) and the addition of BAV in the IDH.

Strategy 2.2: Support the prevention and detection of fraud, and recovery of overpayments; reduce states' and the national UI improper payment rate; and improve UI program integrity by working directly with states and developing, disseminating, and storing integrity related resources, recommendations, and best practices.

The UI Integrity Center provides technical assistance and consultative services to states to combat fraud, prevent and reduce improper payments, and improve UI program integrity. In working with states, the UI Integrity Center develops and disseminates tools and products to highlight best practices and provides operational recommendations to improve performance. The UI Integrity Center's [Knowledge Exchange Library](#) (Library) is an online, searchable, knowledge-sharing platform that includes a repository of all UI Integrity Center resources including, model state operational processes, promising state practices, and recommendations to strengthen UI program integrity. The [Behavioral Insights \(BI\) Toolkit](#), housed within the Library, is a collection of resources, articles, templates, and how-to information developed to help UI agencies apply the learnings of BI within their own states.

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FY 2022 Results: The UI Integrity Center and ETA completed the following activities associated with this strategy:

- Provided Subject Matter Expert (SME) participation in ETA’s “Tiger Team” initiative and associated workgroups and assisted states in the implementation of recommendations from “Tiger Team” engagements.
- Provided Virtual State Services, which are ongoing technical assistance consultations in a flexible format that recognize state staffing and travel constraints.
- Resumed onsite State Services for the first time since February 2020. State demand for in-person services increased along with assistance and advisement on various state process improvement projects and project coordination.
- Launched the BI Toolkit, which contains close to 300 curated resources and held a BI Toolkit webinar for state staff. ETA issued TEN No. [15-21](#), on November 17, 2021, to inform states about the launch of the NASWA UI Integrity Center's BI Toolkit and provide states with information on how to access the BI Toolkit resources.
- Compiled feedback from 29 states and developed the 2021 Integrity Center State Feedback Assessment Report.
- Updated existing documents and published numerous new documents including Proven Integrity Documentation, Education, Analysis, and Solutions (IDEAS), promising practices templates, and various resources and guides for states on current integrity challenges.
- Hosted multiple UI integrity workshops at the NASWA SIDES Seminar, with topics ranging from UI Integrity Center services to instructional workshops on ID fraud prevention and improper payments.
- Conducted a presentation on fraud prevention and integrity tools during the during the 2022 NASWA UI Interstate Benefits (IB) & Federal Programs Training Conference. ETA issued TEN No. [23-21](#), on March 14, 2022, to announce the 2022 NASWA UI IB & Federal Programs Training Conference.
- Held UI integrity-related sessions at the 2022 NASWA Summit, including sessions about using data analytics to combat fraud, protecting confidential UI data, and preventing worker misclassification.
- Hosted webinars for states on fraud prevention and detection strategies, including webinars on UI ID fraud, internal security, fictitious employers, ID verification, overpayment recoveries, and IDH results management and prioritization.
- Convened monthly regional integrity workgroups with state UI integrity management and field staff. The workgroup sessions provided states an opportunity to share and discuss specific integrity strategies and share promising practices, recent fraud activities and countermeasures, and innovative operational enhancements on integrity topics with the broader UI community.
- Worked with states individually, responding to requests for information, recommendations on UI integrity operations, and providing technical assistance as needed.

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- Conducted analysis with several states on BAM and ETA UI Required Reports data, compiling consolidated data analysis reports for states with insights into performance gaps and opportunities for improvement.
- As of September 30, 2022, the UI Collection in the Library included 2,721 integrity-related resources, with nearly 120 proven practices representing 33 states.
- The Library's COVID-19 special collection, dedicated to the pandemic and the UI system emergency response, now includes over 380 resources.

Strategy 2.3: Provide training to state UI agencies through the UI National Integrity Training Academy.

The Academy, dedicated to providing rigorous and relevant training programs and materials to states, provides no-cost interrelated certificates that offer UI program integrity training for state staff via online, eLearning modules and virtual instructor led training (VILT) that lead to credentials. The Academy supports states to develop customized training programs, train newly hired staff, and provide existing staff with refresher and skill-enhancement training. The Academy's Learning Management System (LMS) provides states with access to self-paced, on-demand training available at any time and enhanced navigation of a searchable online catalog.

FY 2022 Results: The Academy completed the following actions related to this strategy:

- Academy enrollments continued to grow at a steady pace, receiving 3,126 new learner enrollments for FY 2022, bringing total all-time enrollments to 14,750 learners representing 49 states, the District of Columbia, Virgin Islands, Puerto Rico, and the Commonwealth of the Northern Mariana Islands.
- Conducted the Basic Fraud Investigations VILT course 30 times and the Tax Investigations VILT course four times to 483 learners in FY 2022.
- Continued development of the Data Analysis certificate programs and lessons and launched the first certificate program for beginner data analysts.
- Completed customization of the claimant education video for states as requested.
- Supported ETA's "Tiger Team" initiative by sharing training resources and providing insight into currently available trainings and capabilities of the NASWA learning team.
- Launched the new [BI Curriculum](#) in April 2022, which is a certificate for UI staff who want to learn more about BI and/or are interested in learning how to design and use behavioral interventions to increase adherence to UI program rules, policies, laws, and guidelines.